

**Remarks of the Honorable Ileana Ros-Lehtinen
Ranking Member, Committee on Foreign Affairs
Hearing on: "Protecting U.S. Intellectual Property Overseas:
The Joint Strategic Plan and Beyond"
July 21, 2010**

My commitment to protecting the intellectual property rights of U.S. citizens and companies is long-standing.

Prior to becoming Ranking Member of this Committee, I Chaired the Subcommittee on International Economic Policy and Trade, where fighting the piracy of intellectual property was one of our top concerns.

I would like to note that our Chairman has demonstrated consistent leadership on this issue in this Committee as well as in the Judiciary Committee, where in the 110th Congress, he served as Chairman of the Subcommittee on Courts, the Internet, and Intellectual Property.

Under his direction, the Foreign Affairs Committee held a field hearing in California in April of 2009 that brought together a remarkable set of witnesses representing the major interests in the music and movie industries.

Their description of the threat to their industries from piracy in China and elsewhere was stunning in its scope and consequences.

Unfortunately, this problem has continued to grow rapidly.

The Global Intellectual Property Center estimates that the annual loss to U.S. businesses now totals over \$12 billion in the music recording industry, \$12 billion in the automotive industry, \$46 billion in the pharmaceutical industry, and \$53 billion in the software industry.

That's well over \$100 billion in income and jobs stolen from this country and our citizens every year.

It is unfortunate that many people in our country and abroad regard these crimes as impacting only faceless and wealthy corporations.

The fact is that as our economy has become increasingly more knowledge-based and the cost resulting from IPR piracy has grown for all of us in terms of reduced employment, reduced income, and reduced government revenue.

The problem is a global one, and there are few countries where it does not occur, including our own.

But there are some countries where the problem is not only widespread among the general population but it is tolerated, and even promoted, by national and local governments.

China is by far the worst violator of intellectual property rights globally, and its government is complicit in ensuring that it keeps its #1 position.

Chinese authorities have repeatedly pledged to take action to deal with the open and rampant theft of U.S. intellectual property.

However, their efforts to date have been minimal -- especially when compared with the immense resources and energy they have dedicated to censoring the internet services of content that they deem objectionable.

In fact, intellectual property piracy in China is rapidly increasing, often with tacit government support and even as a consequence of official policy.

For example, the government is actively supporting efforts by Baidu, China's largest internet search company, to become a global player.

With the government looking on, Baidu automatically offers to those who log on to its site the opportunity to link to a long list of known music piracy sites -- in effect actively facilitating the theft of intellectual property.

The Chinese authorities are fully aware of this problem and could stop it with a simple phone call.

But they have brushed aside all requests to do so and have deliberately decided to do nothing to halt the aiding and abetting of this continuing theft.

But it is only one of countless examples.

Intellectual property violations in Russia are also extensive and long-standing, ranging from pirated music and videos to pharmaceuticals.

Here, too, the government has repeatedly promised to take action but then has done little or nothing.

Corruption at all levels of the Russian government has made this problem a difficult one to address, but it is compounded by the lack of interest on the part of senior officials who see it as an American problem that does not impact them.

However, Russia's desire to join the World Trade Organization, or WTO, provides the U.S. with the necessary leverage to compel Moscow to carry out its promises.

Before the U.S. approves its application, we must require that Moscow take effective action to shut down the extensive piracy of intellectual property occurring on its territory and put in place far-reaching safeguards to ensure that it does not recur.

In fact, given Russia's history of broken promises, Moscow should be required to demonstrate a long track record of success prior to an OK by the U.S. to its joining the WTO.

President Obama has said that increasing U.S. exports is a key to creating jobs here in the U.S.

Because those exports are increasingly made up of intellectual property, our future prosperity depends upon our ability to combat piracy in other countries.

An easy way to enhance U.S. exports and intellectual property rights at the same time is through carefully negotiated trade agreements, such as those we have already signed with Colombia, Panama, and South Korea.

These agreements will help raise the standards of our trading partners' national laws and regulations regarding intellectual property protection to new highs.

They will also provide enhanced monitoring and also corrective measures if the governments refuse to take action to end piracy.

At a time when Americans are currently facing extraordinary economic challenges, Congress cannot leave the task of protecting the intellectual property rights of U.S. citizens and businesses to the Executive Branch alone.

We cannot afford a business-as-usual approach to those governments that profess friendship and cooperation even as they bless the theft of our citizens' wealth and of our country's prosperity.